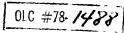
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## CENTRAL INTELLIGENCE AGENCY

Office of Legislative Counsel Washington, D. C. 20505 Telephone: 351-6121 (Code 143-6121)

Ms. Susan Geiger Office of Management and Budget 10208 New Executive Office Building

10 April 1978

Ms. Geiger:

Thank you for your call regarding the "Ethics in Government Act." Attached are copies of a one-page backgrounder explaining our concerns with the legislation and the provision therein which addresses these. As I mentioned, we will be talking with our oversight committee and other Representatives as appropriate. Although, as you are aware, this is a rather delicate topic, it is important to us, and we would appreciate your keeping our concerns in mind in your discussions on the Hill. Thank you for your help.

Assistant Legislative Counsel

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## APPROVED FOR THE STATE OF INTELLIGENCE EMPLOYEES

H.R. 1, in the interest of avoiding job related conflicts of interest, provides that top-level Federal employees shall file financial disclosure reports. Employees of intelligence agencies, as Federal employees, would be required to file reports.

Congress provided protection for the identity of intelligence employees in section 6 of the CIA Act of 1949 (50 USC (403g). It protects the names, official titles, salaries, and numbers of Agency personnel from disclosure. The necessity of this protection is also recognized in section 421(g) of H.R. 11245, the proposed intelligence charter. Consistent with these statutory precedents and concepts, H.R. 1 exempts reports filed by intelligence employees from public disclosure.

It is sometimes necessary that persons engaged in intelligence activities be assigned roles as employees of other government entities, always with the consent of the head of the host agency. Absent language authorizing the intelligence employee to file a report consistent with his role, H.R. 1 would force these employees to choose one of two umpleasant alternatives: filing a report only with their intelligence agency and risking disclosure of their intelligence affiliation because their report would not be available from the host agency; or being in apparent violation of the bill by filing a second report which reflects employment by the host agency.

Section 205(a)(2) of H.R. 1 as reported resolves this dilemma. The net effect of the accommodations made for intelligence employees is as follows:

- --All will file complete and accurate financial disclosure reports
- --All these reports will be subject to review by the Office of Government Ethics
- --Reports consistent with non-intelligence activity roles can be filed only when the President determines that it is in the national interest to protect the employees' identity; it is envisaged that the outside income and interests of such employees would be fully and accurately reported to the public

In this manner, H.R. 1, as reported, permits full compliance with the letter and the spirit of the legislation while fully protecting the identity of certain intelligence employees.